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DE RUEHGT #0080/01 0281506  
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FM AMEMBASSY GUATEMALA  
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SIPDIS  
SENSITIVE

DEPT FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [GT](#)  
SUBJECT: GUATEMALA: BLUE LANTERN RESPONSE FOR 050091143  
AND 050121440

REF: A. STATE 132987  
[B](#). STATE 130457

[1](#)1. (SBU) Summary: In response to reftel, PolMil Officer researched the bona fides of the arms import company Defensa S.A. The research included an on-site inspection of Defensa S.A., interviews with the company's owner, and records checks of both company and owner with the Guatemala's Arms and Munitions Control Department (DECAM). As a result of the investigation, Post does not recommend approval of this or future reftel licenses. End Summary.

[1](#)2. (SBU) On January 7th, Emboffs conducted an on-site inspection of Defensa S.A. located at 6a Ave 14-37, Zona 9, Guatemala City, and interviewed the company's owner. The owner, Farid Massis, was present and fully cooperative during the interview. Defensa, S.A. is located in a small, retail shopping center off of a busy commercial avenue. Defensa S.A. is well marked with appropriate signage including a large graphic billboard to the left of the main entrance. But Emboffs observed that the glass-door entrance and the entire width of the storefront is not properly secured with standard bar protection. Therefore, any potential intruder can gain easy access to the front door, retail counters, office and weapons storage room. However, the weapons storage room itself and the owner's office area, which are both located behind the retail weapons counter, were properly secured with standard safety procedures including infrared motion detectors, and a security camera system that can be monitored from the owner's home via computer.

[1](#)3. (SBU) According to Massis, he started Defensa S.A. in [1](#)2004. Prior to 2004, Massis owned a clothing business in Zone 1. To date Defensa, S.A. has imported 500-700.22 caliber rifles from the U.S., pistols from Argentina, and ammunition and cartridges from Mexico and Spain. In the beginning of the interview, Massis stated that he sold small amounts of arms to companies and the public, but a detailed audit of the DECAM registry revealed that more tha 300 Marlin Model 60, .22 caliber rifles were sol to one company: El Venadito. El Venadito is an arms dealer located in Coban, Alta Verapaz. (Comment: According to USG officials, Coban is an area of Guatemala that has a documented history of narco-trafficking. End Comment.) Regarding the first reftel request (weapons price discrepancy), an examination of Defensa S.A.'s DECAM registry and an inspection of the company's weapons storage room determined that the reftel weapons were received by Defensa S.A., and either are in the company's possession or have been sold following local regulations. Massis was unable to clarify the apparent discrepancy in license value outlined in reftel, and maintained that although prices had increased recently that he had paid about the same per unit cost for both orders. Regarding the second reftel request, which included the involvement of Sercogua in both weapons purchase orders, Massis stated that the freight forwarding company Sercogua was selected by the U.S. based freight forwarding company Air

Sea for the two Marlin weapons purchases. Massis's statements regarding Sercogua's involvement in the shipment track compared with statements made by other weapons importers (reftel b) revealed that there appears to be no significant connection between Defensa S.A. and Sercogua.

¶4. (SBU) Defensa S.A.'s books were in satisfactory order, but the DECAM registry had missing inventory date documentation for its last shipment of 100 Marlin Model 60 Rifles, .22 caliber. The DECAM registry did not list the approved importation date for these 100 rifles. When asked about the importation date for these 100 rifles. When asked about the missing data, Massis's clerical assistant explained that she was waiting for the accountant to give her the right date. The date in question was December 15, 2008 (2 weeks after DECAM approval). PolMil officer reviewed rifle purchases dating back to September 2008, when it was discovered that approximately 300 Marlin rifles were sold to one arms dealer only: El Venadito of Coban. The business model followed by Defensa, S.A. appears to be legal under Guatemalan law, but these transactions greatly complicate efforts to determine the actual end users.

¶5. (SBU) Massis describes his company as a "medium scale importer" and his storage facilities are of an adequate size for his inventory and properly secured when compared to other arms dealers that have been inspected by Emboffs. The weapons storage room is constructed of thick cinder block walls with an additional steel grate installed on the one wall. Motion detectors are built into the walls, ceiling, and floor to detect vibrations with additional motion detectors in the office. The weapons storage room contains 4 gun safes with additional weapons piled to the ceiling in the open areas of the room. The facility is guarded 24-hours a

day by police surveillance, and the building's alarm system includes 24-hour response from a private security company.

¶6. (SBU) Comment: According to DECAM inspection reports dating back to 2004, Defensa S.A. was inspected a total of 14 times by DECAM from August 2004 to August 2008. And during most of these inspections, DECAM cited Defensa, S.A. for minor bookkeeping infractions and on a few instances for more serious problems. In 2006, infractions included the loss of 100 rounds of 9mm ammunition, and Defensa, S.A. reported that ten weapons were stolen from the retail location. DECAM reported that they detected a stolen weapon in Defensa S.A.'s inventory.

¶7. (SBU) Defensa S.A. is a medium scale arms wholesale company. Defensa S.A. is in good standing with DECAM, but it has had more than its share of violations. In addition, Defensa S.A. has an unsecured storefront where an intruder can gain easy access to the front retail counters and office/weapons storage room. Defensa S.A. sells the majority of its weapons in bulk to other gun dealers (mostly El Venadito) and very few weapons to the public. Defensa S.A. did provide information on its largest wholesale customer, El Venadito, which was confirmed to be an actual arms and munition company operating in Coban, Alta Verapaz. As Defensa S.A. operates primarily as a weapons wholesaler and in light of Defensa S.A.'s poor recordkeeping history, and the more troubling inventory control problems, post does not recommend approval of future import licenses for Defensa S.A.

McFarland